Tax Saving Bonds by Punjab State Co-operative Bank

3253. SHRIMATI SUKBUNS KAUR: Will the Minister of FINANCE be pleased to state:

(a) whether the State Government of Punjab has submitted any proposal that the Punjab State Co-operative Banks may be allowed to raise funds through Tax Saving bonds of the duration of more than three years, as are being floated by ICICI, IDBI and other banks to help reduce the cost of agricultural credit and make adequate funds available for farm-operations; and

(b) if so, what is Government's decision thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) and (b) No Sir, no such proposal has been received from the State Government of Punjab.

However, Section 80-C of the Income Tax Act, as amended by the Finance Act, 2006, provides for a deduction in respect of investment made in a term deposit for a fixed period of not less than five years with a Scheduled Bank, which is in accordance with a scheme framed and notified by the Central Government in the Official Gazette for this purpose.

Since the Punjab State Co-operative Bank is a Scheduled Bank, investment in its five-year term deposit scheme, which is in accordance with the scheme framed and notified by the Central Government, shall, subject to the conditions laid down in section 80 C, be eligible for tax benefit.

Levy of hidden charges for services provided by Banks

3254. SHRI C. PERUMAL: Will the Minister of FINANCE be pleased to state:

(a) whether many banks including nationalized and private banks levy a host of hidden charges for various services provided by them;

(b) if so, the details thereof; and

(c) the action taken to ensure that banks do not harass and exploit customers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Reserve Bank of India (RBI) has received representations from the public about unreasonable